

ORIGINAL



0000154823

COMMISSIONERS  
BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH



COMMISSIONER

Direct Line: (602) 542-3682  
Email: RBurns-web@azcc.gov

ARIZONA CORPORATION  
COMMISSION

2014 JUN 20 P 12:28

RECEIVED  
AZ CORP COMMISSION  
BOOKET CONTROL

June 20, 2014

RE: Docket No. RE-00000C-14-0112: Proposed Rulemaking to Modify the Renewable Energy Standard Rules in Accordance with Decision No. 74365

Dear Parties and Interested Stakeholders:

I appreciate Staff's thoughtful work in developing seven potential concepts for modifying the Renewable Energy Standard Tariff ("REST") rules related to the Renewable Energy Credit provisions. It appears to me, however, that none of these options *as currently drafted* is likely to resolve all of the issues we confronted in the Recommended Opinion and Order ("ROO"). To the contrary, I believe that some of these options will bring us back to the impasse that led us to initiate this rulemaking process. For example, the Track and Monitor option could later lead to assertions that the Commission reduced the 15% renewable energy goal or eliminated the distributed generation carve-out. Moreover, given the fact that distributed generation continues to flourish here in Arizona without up-front incentives, I cannot support any proposal that reinstates incentives or increases costs for ratepayers.

I have read Commissioner Brenda Burns' May 21, 2014 docketed letter as well as Commissioner Pierce's May 28, 2014 docketed letter in which they shared their thoughts on Staff's proposals. I am intrigued by Commissioner Brenda Burns' recommended rule language for Staff's Track and Record proposal, specifically the notion of simply "acknowledging" the kWhs associated with RECs. In my opinion, her proposed language—particularly the part stating that all RECs "may not be considered used or extinguished by any Affected Utility without approval and proper documentation from the entity creating the REC," regardless of any acknowledgment of the REC—warrants further consideration by the Commission and also could resolve the parties' concerns about double-counting. I believe we need to track all distributed generation installed and this language would lead to a transparent *acknowledgement* of that information. Further, as noted by Commissioner Brenda Burns' letter, it could also prevent us from having to grant waivers and, thus, "winking and nodding" that such waivers would not amount to a reduction of the renewable energy standard.

I will continue to listen to all parties and stakeholders in my full consideration of these matters and look forward to discussing these various proposals at an open meeting.

Sincerely,

Robert L. Burns  
Commissioner

Arizona Corporation Commission

DOCKETED

JUN 20 2014

DOCKETED BY